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FISCAL IMPACT STATEMENT

LS 7642

BILL NUMBER: HB 1670

NOTE PREPARED: Jan 23, 2005

BILL AMENDED:

SUBJECT: Commission for the Blind.

FIRST AUTHOR: Rep. Hinkle

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill creates the Commission for the Blind and Visually Impaired. The bill repeals provisions concerning Rehabilitation Services Bureau programs concerning: (1) rehabilitation centers for blind and visually impaired individuals; and (2) blind vending services. It transfers responsibility for these programs to the Commission.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: This bill transfers the duties as well as revenues for blind vending services from the Rehabilitation Services Bureau to a new Commission for the Blind and Visually Impaired. The new Commission will incur startup costs and may incur administrative costs in addition to the normal cost of continuing services. Discussion of costs and services are broken out into several categories. Total cost of the provisions of this bill depend upon administrative actions and future appropriations.

Administrative: The Commission will have five members appointed by the Governor. The Commission is required to meet quarterly with other meetings as needed. The commissioners are eligible for a \$50 per diem. The cost of meetings will be \$1,000 annually for 4 meetings, and \$250 for each additional meeting.

The Commission may incur increased overhead and administrative costs. Previously, the Division of Disability, Aging, and Rehabilitative Services (DDARS) and the Family and Social Services Administration (FSSA) central office provided administrative support for blind and visually impaired services. Depending upon administrative action, these support services may not transfer over from DDARS to the new Commission. Administrative services represent approximately 5% of the budget for FSSA. Currently, the administrative cost

for blind and visually impaired services is approximately \$141,752 plus benefits. If these functions and support are not transferred to the new Commission, additional administrative and overhead expenditures may be required. If current work space is maintained, additional overhead costs will be minimal.

Independent Living: The Independent Living services will only incur administrative expenses. See the above discussion.

Rehabilitation Center: The bill allows the Commission to develop a new rehabilitation and training center. The new center will provide services similar to what DDARS provides currently. This bill repeals the enabling legislation for the Bosma Rehabilitation Center. The FY 2005 budget for Blind and Visually Impaired Services in DDARS is \$1.3 M, with \$279,774 in state funds.

The Commission is responsible for establishing and administering programs beyond what DDARS currently provides. These programs and services include: a program to certify Braille instructors, creation of an instructional media center, and development and administration of programs to further the provision of services to the blind and visually impaired as determined by the Commission. The costs of these new programs and services are not known and cannot be determined until the Commission decides on the full suite of new services and programs to be offered. Any new services are contingent upon administrative action and the appropriation of additional funds.

FSSA is the designated point of contact and recipient for federal vocational rehabilitation money. This bill splits blind vocational rehabilitation services from other vocational rehabilitation services managed by FSSA. The Commission cannot receive federal funds for these programs unless a vehicle such as a memorandum of agreement is used. The Commission and FSSA should be able to develop a memorandum of agreement given their existing levels of budgets and resources.

Vending Services: This bill transfers the blind vending services from FSSA to the new Commission. In addition, the bill contains some new language regarding these services. The Commission shall have sole vending authority in buildings owned or leased by the state, a county, a township, a city, or a town. This may expand the number of vending opportunities available to the Commission's constituents. In addition, the bill includes language that the Commission shall relinquish the exclusive right to operate vending services in a building for not more than two years if certain conditions are met. Both of these provisions may have a fiscal impact on the blind vending services budget. However, cost to the Commission cannot be determined at this time.

Health Insurance: This bill allows a blind or visually impaired individual who operates a vending facility to purchase state health insurance. These individuals are currently excluded from purchasing benefits due to their contractor status. The vendor will pay 100% of the premium and associated administrative costs. One of the state's health providers responded that this provision would increase premiums for all state employees enrolled in that plan due to an adverse experience factor. However, other providers stated that this provision would have either no impact or minimal impact to plan rates. Competition between providers may reduce the cost to the point that it has no significant impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources:

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